

12-1007.

(A) IN CONNECTION WITH A LOAN TO A CONSUMER BORROWER:

(1) THE PURCHASE OF CREDIT LIFE, CREDIT ACCIDENT AND HEALTH, CREDIT DISABILITY, INVOLUNTARY UNEMPLOYMENT BENEFIT, AND SIMILAR INSURANCE COVERAGES IS OPTIONAL WITH THE CONSUMER BORROWER; AND

(2) THE PURCHASE OF PROPERTY INSURANCE, TITLE INSURANCE, AND CREDIT LOSS INSURANCE FROM AN INSURER OF THE BORROWER'S CHOICE MAY BE REQUIRED IF THE LOAN IS SECURED.

(B) THE PROVISIONS OF THIS SECTION DO NOT ALTER OR MODIFY RIGHTS, PRIVILEGES, OR RESTRICTIONS HERETOFORE EXISTING BETWEEN THE CREDIT GRANTOR AND A BORROWER OTHER THAN A CONSUMER BORROWER.

(C) PREMIUMS FOR ANY INSURANCE COVERAGE PERMITTED BY THIS SECTION ARE NOT INTEREST WITH RESPECT TO A LOAN.

(D) THE OFFER AND PLACEMENT OF INSURANCE UNDER THIS SECTION SHALL BE SUBJECT TO THE PROVISIONS OF THE MARYLAND INSURANCE CODE.

12-1008.

(A) IF THE AGREEMENT GOVERNING A LOAN PERMITS, A BANK CREDIT GRANTOR MAY:

(1) FOR A NONCONSUMER BORROWER, CHARGE A HIGHER PERIODIC PERCENTAGE RATE OR RATES OF INTEREST ON THE AMOUNT OF OUTSTANDING UNPAID PAYMENTS OR PORTIONS OF PAYMENTS UNDER THE LOAN WHICH ARE IN DEFAULT; AND

(2) FOR ANY BORROWER, IMPOSE A LATE OR DELINQUENCY CHARGE UPON PAYMENT OR PORTIONS OF PAYMENTS.

(B) IN THE CASE OF A LOAN TO A CONSUMER BORROWER, NO LATE OR DELINQUENCY CHARGE MAY BE CHARGED UNLESS THE AGREEMENT, NOTE, OR OTHER EVIDENCE OF THE LOAN PERMITS. NO MORE THAN 1 LATE OR DELINQUENCY CHARGE MAY BE IMPOSED FOR ANY SINGLE PAYMENT OR PORTION OF PAYMENT, REGARDLESS OF THE PERIOD DURING WHICH IT REMAINS IN DEFAULT.

(C) FOR THE PURPOSES OF SUBSECTION (B) OF THIS SECTION, ALL PAYMENTS BY THE BORROWER SHALL BE APPLIED TO SATISFACTION OF SCHEDULED PAYMENTS IN THE ORDER IN WHICH THEY BECOME DUE.

12-1009.

(A) A CONSUMER BORROWER MAY PREPAY A LOAN IN FULL AT ANY TIME.